

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2000-135-C - ORDER NO. 2000-559

JULY 11, 2000

| | | |
|---|---|-------------|
| IN RE: Application of Maxcess, Inc. for a Certificate |) | ORDER |
| of Public Convenience and Necessity to |) | GRANTING |
| Provide Resold and Facilities-Based Local |) | CERTIFICATE |
| Exchange and Interexchange |) | |
| Telecommunications Services within the State |) | |
| of South Carolina. | | |

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Maxcess, Incorporated ("Maxcess" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold and facilities-based local exchange and intrastate interexchange telecommunications services within the State of South Carolina. The Company's application was filed pursuant to S.C. Code Ann. §58-9-280(B) (Supp. 1999) and the Regulations of the Public Service Commission of South Carolina.

By letter, the Commission's Executive Director instructed Maxcess to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Maxcess complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on May 5, 2000. Thereafter, on May 18, 2000, Counsel for SCTC filed with the Commission a Stipulation in which Maxcess stipulated that it would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Maxcess provided written notice of its intent prior to the date of the intended service. Maxcess also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Maxcess agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to Maxcess provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on June 6, 2000, at 3:30 p.m., in the Commission's Hearing Room. The Honorable William Saunders, Vice Chairman, presided. Maxcess was not represented by counsel. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Dan Webb, Chief Technical Officer of Maxcess, appeared and offered testimony in support of the Company's application. As Chief Technical Officer of Maxcess, some of Mr. Webb's job responsibilities include overseeing customer service and operational support systems for software, and selections of technology. Maxcess is a Florida

corporation that has received authorization to operate as a foreign corporation in the State of South Carolina by the Secretary of State. According to the testimony, Maxcess is in the process of obtaining certification in all forty-eight states. The Company, as of the hearing date, had received authority to provide its telecommunications services in approximately twenty states. Maxcess is a new company that has approximately thirty employees. Additionally, as of the hearing date, Maxcess did not offer its services in any state; the testimony indicates however, that Maxcess plans to offer its services in Florida around August 2000.

Upon receiving certification from the Commission, Maxcess will offer a full array of local exchange and interexchange services to business and residential customers. The Company's interexchange services will include 1+ and 101XXXX outbound dialing, 800/888 toll-free inbound dialing, calling cards (not debit or prepaid cards), and data services. Maxcess' local exchange services will include switched local exchange services, non-switched local services, centrex and/or centrex-like services, digital subscriber line, ISDN, and other high capacity services. The record also reveals Maxcess will offer dual-party relay services, 9-1-1 Emergency Services, directory assistance and operator-assisted calls, lifeline, and toll-free calling.

Mr. Webb presented testimony on Maxcess' technical, financial, and managerial ability to offer services in South Carolina. He stated the Company is committed to making sure the certification process is done correctly. For example, the Company has hired Tracy Hatch, a former head of the Florida Public Service Commission and Charlie Murphy, who was also formerly employed with the Florida Public Service Commission,

to help the Company with regulatory matters and compliance. Doris Franklin, who was also trained by Tracy Hatch, will also assist with compliance.

Regarding the Company's technical ability to offer services in South Carolina, the record reveals Maxcess will initially resell the facilities of existing LECs or underlying carriers that presently service South Carolina. The Company was in the process of negotiating an interconnection agreement with BellSouth at the time of the hearing. The testimony also reveals Maxcess will provide voice, high speed data and internet access services through a combination of the Lucent Technology PathStar, ADSL/SDSL transport and Internet service equipment and the latest Optical multiplexer DAC's configurations. Further, the record reveals the switching system consists of a central processing and control complex capable of interconnection as a peer to the incumbent as well as competitive local exchange companies; the hub portion of the switch will interconnect with the public switched network on Signaling System 7 or Feature Group D facilities. Maxcess also operates a customer service department which responds to customer inquiries. The customer service department is open twenty-four hours a day, seven days a week. Tracy Hatch is the Company's regulatory contact person. Mr. Webb's testimony states Maxcess has sufficient technical resources and ability to provide telecommunications services it proposes to provide in South Carolina.

Mr. Webb also testified the Company's personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience. Mr. James C. Marchant, Jr. is the President/Chief Executive Officer of Maxcess. He became President/CEO in January 1999. Mr.

Marchant was previously employed with Mercury Communications USA, Inc. as CEO/President from December 1995 to January 1999. Prior to his employment with Mercury Communications, Mr. Marchant was employed as President of Marchant Business Systems, Inc. from June 1984 to February 1994. As Chief Technical Officer of the Company, Mr. Daniel Webb was also previously employed with Mercury Communications from December 1995 until January 1999. Upon graduation from the University of Florida in May 1986, Mr. Webb received a Bachelor of Science degree in Business Administration, with a specialization in Computer and Information Sciences. Mr. Michael Hogan is the recently-hired Chief Financial Officer of Maxcess.

Mr. Webb also testified that Maxcess has the financial resources and ability to provide telecommunications services in South Carolina. The balance sheet submitted with the Company's application illustrated the Company's financial status as of November 1999. As of November 1999, Maxcess' total current assets were \$1,952,809.75 and the Company's total current liabilities were \$71,113.18. The Company requested the Commission's permission to be exempt from any record-keeping rules or regulations that might require the Company to maintain its financial records in conformance with the Uniform System of Accounts. According to the record, Maxcess currently maintains its book of accounts in accordance with the Generally Accepted Accounting Principles ("GAAP").

Maxcess also requested a waiver of S.C. Code Ann. Regs. 103-631 so that the Company will not be required to publish local exchange directories. According to the record, Maxcess will make arrangements with the incumbent local exchange carriers

whereby the names of Maxcess' customers will be included in the directories published by the incumbent local exchange carriers. The record also reveals that the directories will be modified to include Maxcess' customer service number. In addition, Maxcess requests a waiver of any reporting requirements which, although applicable to incumbent local exchange carriers, are not applicable to competitive providers such as Maxcess because it is the Company's position that these requirements (1) are not consistent with the demands of the competitive market; or (2) they constitute an undue burden on a competitive provider, thereby requiring an inefficient allocation of its limited resources.

Upon receiving certification from the Commission, Mr. Webb testified Maxcess will abide by and comply with the Commission's rules and regulations and Commission Orders in its operations in South Carolina. Further, the testimony reveals Maxcess has never had an application for a certificate of public convenience and necessity denied nor has the Company ever been the subject of an investigation by a state regulatory body or the Federal Communications Commission. Additionally, as of the hearing date, Maxcess had not provided any intrastate telecommunications services within the State of South Carolina.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Maxcess is organized as a corporation under the laws of the State of Florida and has received a certificate from the South Carolina Secretary of State to transact business within South Carolina as a foreign corporation.
2. Maxcess wishes to provide local exchange services and interexchange services within the State of South Carolina.
3. The Commission finds that Maxcess possesses the technical, financial, and managerial resources sufficient to provide the service requested.
4. The Commission finds that Maxcess' "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1999).
5. The Commission finds that Maxcess will support universally available telephone service at affordable rates.
6. The Commission finds that Maxcess will provide services which will meet the service standards of the Commission.
7. The Commission finds that the provision of local exchange service by Maxcess "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Maxcess to provide competitive resold and facilities-based intrastate local exchange services only to customers located in the non-rural areas of South Carolina. The terms of the Stipulation between Maxcess and the SCTC are approved, and adopted as a portion of this Order. Any proposal to provide local exchange service to a customer in a rural incumbent LEC's service area is not included in the instant grant of authority. Further, the Company is granted authority to provide facilities-based and resold intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. With regard to the interexchange service offerings of Maxcess, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Maxcess shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. Maxcess shall file its proposed rate changes, publish its notice of such changes, and file affidavits of

publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 6, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

4. If it has not already done so by the date of issuance of this Order, Maxcess shall file its revised local and long distance tariffs and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. Maxcess is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Maxcess shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Maxcess changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, Maxcess shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

9. Maxcess shall file annual surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A. Attachment A consists of two pages for annual information on South Carolina operations for interexchange companies and AOS'.

10. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Maxcess to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be

operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association (“SC NENA”) with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Maxcess, shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company’s operations as required by the 911 system.

11. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Maxcess shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

12. Maxcess shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

13. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

14. Maxcess shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Maxcess shall keep financial records on an intrastate basis for South Carolina to comply with the annual and gross receipts filings. Attachment C shall be utilized by the Company to provide the Commission with annual financial information on the Company's intrastate operations. Attachment C consists of four pages and it is entitled "Annual Report for Competitive Local Exchange Carriers."

15. By its Application, Maxcess requested waivers from Commission requirements (1) of publishing a directory, (2) of maintaining its books and records in conformance with the Uniform System of Accounts, and (3) of any reporting requirements which are not applicable to competitive providers. The Commission finds the reasoning behind Maxcess requests for waivers of publishing a directory and maintaining its books and records in conformance with the Uniform System of Accounts reasonable and hereby grants the waivers of these regulations. The Commission denies the Company's request for a waiver of any reporting requirements which are applicable

to incumbent LECs. In the future, upon the request of the Company, this Commission may grant a waiver of a specific regulation if the Company demonstrates that compliance with the regulation introduces unusual difficulty and that the waiver is in the public interest. However, Maxcess is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

16. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

JULY 7, 2000

ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'

COMPANY NAME _____ FEIN _____

ADDRESS _____ PHONE NUMBER _____

CITY, STATE, ZIP CODE _____ FAX NUMBER _____

1. SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR. \$ _____
2. SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR. \$ _____
3. RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS
ENDING DECEMBER 31, 2000 OR FISCAL YEAR:

Gross Plant in located or allocated to South Carolina operations \$ _____

CWIP located in or allocated to South Carolina operations \$ _____

Land located in or allocated to South Carolina operations \$ _____

Accumulated Depreciation of South Carolina Plant (\$ _____)

Net Rate Base located in or allocated to South Carolina operations \$ _____

4. PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR:

LONG TERM DEBT \$ _____

EQUITY \$ _____

5. PARENT'S AVERAGE RATE OF INTEREST ON LONG TERM DEBT _____ %.

JULY 7, 2000

ATTACHMENT A

6. CONTACT PERSON FOR ALL FINANCIAL INQUIRES AND REPORTING:

NAME _____

ADDRESS IF DIFFERENT FROM COMPANY _____

TELEPHONE NUMBER _____

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'

- 7. ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE)(USE BACK IF NEEDED).**

NAME OF OFFICER SIGNING FORM (PRINT OR TYPE) _____

SIGNATURE _____

TITLE _____

JULY 7, 2000

ATTACHMENT B

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).

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JULY 7, 2000
ATTACHMENT C

ANNUAL REPORT FOR COMPETITIVE LOCAL EXCHANGE CARRIERS

COMPANY NAME: _____

ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP:** _____

PHONE NUMBER: _____ **FAX NUMBER:** _____

****If any of this information changes, the Commission is to be notified at once****

OFFICERS: PRESIDENT: _____

VICE PRESIDENT: _____

TREASURER: _____

CONTACT PERSON FOR FINANCIAL AND REGULATORY INFORMATION:

NAME: _____

(PLEASE PRINT OR TYPE)

CONTACT'S PHONE: _____

****If this person changes, you must notify the Commission immediately****

COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

**Income Statement
12/31/2000/or Fiscal Year**

| Particulars | <u>Current Year-Total</u> <u>Company</u> | <u>Last Year-Total</u> <u>Company</u> | <u>SC Intrastate-Current</u> <u>Year</u> |
|---|---|--|---|
| Revenues | | | |
| Operating Revenues | | | |
| <u>Operating Expenses</u> | | | |
| Access and Billing Expenses and Expenses Related to Resale | | | |
| Other Local Interconnection Expenses | | | |
| Leases Facilities from Other Carriers | | | |
| Communications System Operations | | | |
| Sales and Marketing | | | |
| Administration and General | | | |
| Depreciation and Amortization | | | |
| Other | | | |
| Total Operating Expenses | | | |
| Net Operating Income | | | |
| <u>Other Income and Expenses</u> | | | |
| Nonoperating Income and Expenses (Net) | | | |
| Nonoperating Taxes | | | |
| Interest | | | |
| Extraordinary Items | | | |
| Total Other Income and Expenses (Net) | | | |
| Net Income | | | |

| | |
|---------------------------------------|--|
| Number of South Carolina Access Lines | |
|---------------------------------------|--|

COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

**Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending**

| Particulars | Balance at Beginning of Year | Balance at Ending of Year |
|--|---|--------------------------------------|
| <u>Current Assets</u> | | |
| Cash and Cash Equivalents | | |
| Accounts Receivable-Telecommunications | | |
| Accounts Receivable-Other | | |
| Notes Receivable | | |
| Other Receivables | | |
| Materials and Supplies | | |
| Prepays | | |
| Other Current Assets | | |
| Total Current Assets | | |
| <u>Noncurrent Assets</u> | | |
| Investments | | |
| Other Noncurrent | | |
| Deferred Charges | | |
| Total Noncurrent Assets | | |
| <u>Plant Assets</u> | | |
| Telecommunications Plant in Service | | |
| Accumulated Depreciation | | |
| Net Telecommunications Plant in Service | | |
| Other Plant Assets (Net of Depreciation) | | |
| Construction Work in Progress | | |
| Total Plant | | |
| Total Assets | | |

COMPETITIVE LOCAL EXCHANGE ANNUAL REPORT

Company Name: _____

**Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending**

| Particulars | Balance at Beginning of Year | Balance at Ending of Year |
|---|---|--------------------------------------|
| <u>Current Liabilities</u> | | |
| Accounts Payable | | |
| Advanced Billings and Payments | | |
| Customer Deposits | | |
| Long Term Debt-Current Maturities | | |
| Accrued Liabilities | | |
| Other Current Liabilities | | |
| Total Current Liabilities | | |
| <u>LongTerm Debt</u> | | |
| Long Term Debt | | |
| Obligations Under Capital Leases | | |
| Advances From Affiliated Companies | | |
| Other Long Term Debt | | |
| Total Long Term Debt | | |
| <u>Stockholders Equity</u> | | |
| Capital Stock | | |
| Additional Paid in Capital | | |
| Retained Earnings | | |
| Total Stockholders Equity | | |
| Total Liabilities and Stockholders Equity | | |

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2000-0135-C

Re: Application of Maxcess, Inc. for a Certificate)
of Public Convenience and Necessity to Provide)
Local Exchange and Interexchange Telecommu-)
nications in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Maxcess, Inc. ("Maxcess") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Maxcess' Application. SCTC and Maxcess stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Maxcess, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. Maxcess stipulates and agrees that any Certificate which may be granted will authorize Maxcess to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. Maxcess stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.
4. Maxcess stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Maxcess provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice

period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Maxcess acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Maxcess stipulates and agrees that, if Maxcess gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Maxcess will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Maxcess acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Maxcess, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.


8. Maxcess agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Maxcess hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 12th day of May, 2000.

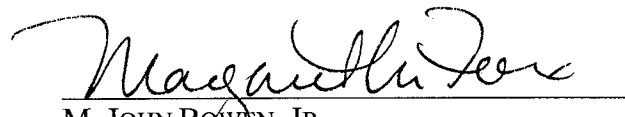
Maxcess, Inc. :

South Carolina Telephone Coalition:



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ATTORNEY FOR MAXCESS, INC.



M. JOHN BOWEN, JR.
Margaret M. Fox
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Post Office Box 11390
(803) 799-9800

Attorneys for the South Carolina Telephone Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company